

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUALA 01993 310939Z

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 PA-01 PRS-01 /054 W

-----010524Z 086606 /13

R 310830Z MAR 77

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 6696

INFO AMEMBASSY TOKYO

AMCONSUL HONG KONG

LIMITED OFFICIAL USE KUALA LUMPUR 1993

HONG KONG FOR TREASURY REP SHARPE

E.O. 11652: N/A

TAGS: EFIN, EAID, MY

SUBJECT: JAPANESE LOAN TO MALAYSIA

1. GOJ, THROUGH OVERSEAS ECONOMIC COOPERATION FUND, HAS RECENTLY AGREED TO PROVIDE GOM WITH US\$42 MILLION IN CONCESSIONARY FINANCING FOR PURCHASE OF JAPANESE GOODS AND SERVICES ASSOCIATED WITH AN ELECTRIFICATION AND ROAD CONSTRUCTION PROJECTS. TERMS OF THE LOAN, THE LAST UNDER THE THIRD YEN CREDIT, ARE 20 YEARS. WITH SEVEN YEAR GRACE AND INTEST OF 3.25 PERCENT. THIRD YEN CREDIT LOANS TO GOM HAVE TOTALED US\$142.5 MILLION.

2. JAPANESE EMBASSY SOURCE HAS INFORMED EMBASSY THAT GOM IS INTERESTED IN NEGOTIATING A FOURTH YEN CREDIT BUT PRESENT IS OF OPINION THE LEVEL OF MALAYSIAN DEVELOPMENT HAS REACHED POINT THAT FURTHER CONCESSIONARY FINANCING IS NOT WARRANTED, I.E. MALAYSIA CAN AFFORD TO PAY FOR WHAT IT WANTS. HOWEVER, SOURCE CONTINUED THAT GOJ WOULD CONTINUE TO BE FORTHCOMING ON TECHNICAL ASSISTANCE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUALA 01993 310939Z

TO MALAYSIA.

3. COMMENT: WE UNDERSTAND FROM JAPANESE EMBASSY HERE THAT SEVERAL MINISTRIES IN GOJ CORRECTLY OPPOSE FURTHER CONCESSIONAL OANS TO MALAYSIA BECAUSE OF ITS RELATIVELY HIGH LEVEL OF ECONOMIC WELL-BEING. PROVISION OF FOURTH YEN CREDIT ON CONCESSIONAL TERMS THEREFORE DIFFICULT

WITHOUT MALAYSIAN PRESSURE AT POLITICAL LEVEL AS OCCURRED
DURING NOVEMBER 1976 VISIT OF GOM FOREIGN MINISTERS TO
TOKYO (KL 6683). WE EXPECT GOM TO CONTINUE TO RAISE ISSUE
UNTIL SATISFACTORY RESPONSE ACHIEVED. NOTE: ORIGIN OF
YEN CREDITS WAS POLITICAL IN NATURE, I.E. MUTUALLY ACCEPTABLE
MANNER OF DEALING WITH WAR REPARATIONS ISSUE WHICH HAS
SINCE FADED.
UNDERHILL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUALA01993
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770111-0785
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977034/aaaaacom.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6fb0d4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3047888
Secure: OPEN
Status: NATIVE
Subject: JAPANESE LOAN TO MALAYSIA
TAGS: EFIN, EAID, MY, JA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/6fb0d4b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009